

Export Guarantees Advisory Council Annual Report 2005-06



Liz Airey



Sir Stephen Brown



John Elkington



Prof. Jonathan Kydd



Martin Roberts



Anthony Shepherd



Paul Talbot



Dr. Raj Thamotheram

Chair

Liz Airey (Director, Harrison Lovegrove & Co Ltd)

Members

Sir Stephen Brown (Chief Executive, UK Trade & Investment), until January 2006

John Elkington (Founder & Chief Entrepreneur, SustainAbility Ltd), EGAC Chair 1 July 2005 onwards

Professor Jonathan Kydd (Professor of Agricultural Development Economics, Imperial College)

Martin Roberts (Senior Consultant, Beachcroft Wansbroughs Consulting)

Anthony Shepherd (Chairman and Chief Executive, Alderley Plc)

Paul Talbot (Assistant General Secretary, Amicus)

Dr Raj Thamotheram (Senior Advisor, Universities Superannuation Scheme)

The membership of the Export Guarantees Advisory Council is set out above. During the year, I took over the Chair from Liz Airey, who had served as a highly valued member of the Council since November 2000. She stepped down in June, having completed a three and a half year term. Sir Stephen Brown also stepped down from the Council in January 2006, on his retirement from UK Trade & Investment.

The remit of the Council is defined by the Export & Investment Guarantees Act (EIGA) 1991. Its Terms of Reference, along with the minutes of each EGAC meeting and Register of Member's interests, are available on the ECGD website (http://www.ecgd.gov.uk/index/pi_home/pi_ac).

We aim to advise Ministers on how ECGD can support UK industry and contribute to sustainable development in emerging markets, while managing its financial risks in line with the objectives set by the Government.

The Council met six times in 2005-06, and considered a range of issues and provided advice to Ministers as appropriate. The Council believes that during this period ECGD operated in accordance with its existing Mission Statement and its Business Principles.

The year was dominated by the public consultation on ECGD's anti-bribery and corruption procedures. This began in March 2005. The Council reviewed all the consultation responses, as well as ECGD's proposals for responding to them. The final Government response was published in March 2006. The Council agreed that the response represented a sensible balance between rigour and practicality, following a highly polarised debate.

At each meeting, the Council receives updates from ECGD on the guarantees and insurance support issued in the financial year, and how these comply with ECGD's Business Principles (<http://www.ecgd.gov.uk/index/aboutecgd/ecgdmissionandobjectives.htm>). The Council asked to review one case in detail during the year, and reviewed the activities of the Business Principles Unit of ECGD over the year.

We received updates on ECGD's progress in developing a Sustainable Development Action Plan, which will relate both to ECGD's external policies on sustainable development and to internal issues, such as recycling. This forms part of the wider HMG Sustainable Development Strategy.

We welcome the Government's move in developing a Sustainable Development Strategy for all Departments, and look forward to monitoring the further development of ECGD's plan in 2006-2007.

The Council received regular updates from Patrick Crawford, ECGD Chief Executive, covering ECGD's financial position and risk management policies and processes. The Council also received regular updates on the challenges facing ECGD, including its work to achieve a level playing field between ECAs internationally, as well as internal challenges, such as a programme introduced in the course of the year to reduce ECGD's running costs and to increase its efficiency.

A review of the way ECGD complements the private sector was also discussed by the Council in May 2006. The Council noted that ECGD would continue to monitor the interface between ECGD's area of operations and that of the private sector, and that ECGD would continue to seek to complement and not compete with the private sector.

Marketing and product development has not been a key area of focus for the Council this year. However, some members attended ECGD's annual customer seminar in May 2005.

In the context of ECGD's objectives of fairness, openness and integrity, and in addition to the issue of its anti-bribery and corruption procedures, the Council received regular updates on ECGD's implementation of the requirements of the Freedom of Information Act, introduced with effect from 1 January 2005.

Looking forward, the Council intends to spend more time reviewing the policies which flow from ECGD's Business Principles, and how ECGD puts these policies into practical operation.

We intend to meet customers and NGOs on occasion to hear their views. In that way, the Council will be able to provide informed advice to Ministers as they consider the UK's response to issues of the moment.

John Elkington
Chair